



A State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

May 8, 2008

Kusum Kavia, Owner
Combustion Associates, Inc.
2161 Railroad Street
Corona, CA 92880

Dear Ms. Kavia:

RE: Final MONITORING VISIT REPORT for Combustion Associates Retraining SB ET07-0125

Date of the Visit:	4/9/08
Beginning/Ending Time:	10:30am – 3:00pm
Date of Last Visit:	4/05/07
Visit Location:	Corona, California
Persons in attendance:	Kusum Kavia, Owner, Combustion Associates, Inc. (CAI); and Suzanne Godin, ETP Contract Specialist
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	8/07/06-8/06/08	Agreement Amount:	\$47,840
Training Start Date:	8/26/06	No. to Retain:	39
Date Training must be Completed:	5/06/08	Range of Hours:	8-60
Type of Trainee:	Retrainee	Weighted Ave. Hours:	55

FINAL REPORT SUMMARY:

AGREEMENT HISTORY

The agreement was approved at the July 2006 Panel Meeting and was executed on 8/25/06. Training began on 8/26/07. You reported that all training was completed on 3/27/08 which allows for the 90-day retention period to be completed within the term ending date of the Agreement. ETP approved two revisions to CAI's Agreement: a technical correction to change

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the hourly reimbursement rate from \$22.00 per hour to \$26.00 per hour; and an Amendment to extend the term of the Agreement by twelve months.

INTERVIEW WITH THE CONTRACT SIGNATORY: KUSUM KAVIA, OWNER

You reported that the ETP-funded training had been a positive experience and that without the assistance of ETP, CAI would not have been able to provide the amount of formal, structured training that it did. As a result of the business skills, continuous improvement and manufacturing skills acquired from training, CAI has begun to develop and implement standard operating procedures. Your employees have begun to function as a team and have a better understanding of and respect for each other's jobs and how one individual's performance (or lack of) affects the rest of the company. Another noticeable change has been the increased confidence of production workers who are more willing to take responsibility for problem solving and are more empowered to make continuous improvement suggestions and interact with management. The lean manufacturing skills training skills delivered to your production workers enabled them to reconfigure the shop floor and get rid of non-value added steps.

You added that CAI received the 2007 Department of Defense (DOD) Logistic Agency's Vendor Excellence Award for achieving a 100% quality and on-time delivery status and your company recently secured a contract to manufacture and export power generator turbines to third world countries for use in power plants. You stated that without the ETP training, CAI would never have been able to achieve these benchmarks. CAI is now gearing up to move to a larger facility and will be hiring additional employees to manufacture the turbine generators.

You added that the deadlines imposed by ETP had a positive effect on CAI as it forced the company to make time commitments to the training. You stated that in retrospect, you were over ambitious with the number of training hours requested in this agreement and did not realize how difficult it would be to balance production demands and training needs. You plan to return to ETP for a second project (a pre-application has already been submitted on-line) and will be more conservative with the number of training hours requested.

Lastly, you reported that the ETP on-line record keeping system was extremely user friendly and that Ms. Godin was always available to provide technical assistance when necessary.

DISCUSSION OF PROJECTED EARNINGS:

You provided Ms. Godin with projected statistics for the closeout of the Agreement. According to your records at the time of this final meeting, you expected to retain a total of 27 trainees (69 percent of planned retentions) who had completed the specified range of class/lab hours (8-60) and retention period. CAI tracked 797 eligible hours on the ETP class/lab tracking system for the aforementioned 27 trainees. Therefore, CAI is eligible to earn \$20,722 (43 percent of the encumbered amount) if all other agreement conditions are met.

CAI has not invoiced for any progress payments. You stated that you would invoice for the progress and final payments at the end of retention (6/29/08) in order to minimize administrative duties.

Ms. Godin reminded you that the closeout invoice should be submitted no later than 30 days after the end term date of the Agreement, which is **8/06/08**. If you are unable to submit the closeout invoice by that date, a request for an extension must be submitted to ETP's Fiscal Unit Manager, Kulbir Mayall.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	39	Completed Training:	24
Trainees Enrolled:	39	Completed Retention:	15
Dropped Following Enrollment:	9	In Retention Period:	9
No. Completed Minimum Reimbursable Hours :	24		

TRAINING STATUS:

The statistical data submitted by you during this visit, as detailed above, agreed with the information contained on ETP's Trainee Status Report.

ATTENDANCE ROSTERS:

Ms. Godin did a 100% review of attendance rosters from 4/9/07 3/28/07 and compared them to the hours entered into the ETP on-line tracking system.

Attendance Rosters reviewed:	4/9/07-3/38/08	Rosters reviewed contained all the required information per Title 22, California Code of Regulations, Section 4442.	YES
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AUDIT:

You will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable.

Listed below are types of records typically requested during an ETP field audit:

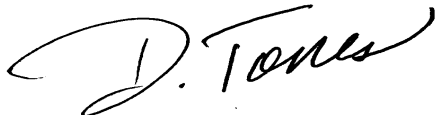
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Suzanne Godin at (619) 686-1918 or at sgodin@etp.ca.gov within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Torres", with a large, stylized flourish at the end.

Diana Torres, Manager
San Diego Regional Office

A handwritten signature in black ink, appearing to read "SGodin", with a large, stylized flourish at the end.

Suzanne Godin, Contract Analyst
San Diego Field Office

cc: Amber Luiz, Assistant Director
Kulbir Mayall, Fiscal Manager
Master File
Project File